
By: **Senators Teitelbaum, Della, and Hollinger**
Introduced and read first time: February 6, 2004
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Medical Assistance Program - Payments to Providers - Penalties**

3 FOR the purpose of requiring the Department of Health and Mental Hygiene to make
4 a certain Medical Assistance Program payment to a nursing home or an eligible
5 provider within a certain time; requiring the Department to make a certain
6 interest payment to a nursing home or eligible provider under certain
7 circumstances; prohibiting the Department from requiring a nursing home or
8 eligible provider to make an additional claim for a certain interest payment;
9 prohibiting the Department from offsetting certain interest payments against a
10 nursing home's allowable cost of care; defining certain terms; and generally
11 relating to the Medical Assistance Program and payments to nursing homes and
12 eligible providers.

13 BY repealing and reenacting, without amendments,
14 Article - Health - General
15 Section 15-101(a) and (i) and 19-1401(a) and (e)
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2003 Supplement)

18 BY adding to
19 Article - Health - General
20 Section 15-117.1
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2003 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That the Laws of Maryland read as follows:

25 **Article - Health - General**

26 15-101.

27 (a) In this title the following words have the meanings indicated.

28 (i) "Program" means the Maryland Medical Assistance Program.

1 15-117.1.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) "ELIGIBLE PROVIDER" MEANS A PROVIDER OF HOME AND
5 COMMUNITY BASED SERVICES THAT ARE REIMBURSED BY THE PROGRAM THROUGH
6 THE FEDERAL WAIVER PROGRAM ESTABLISHED UNDER § 15-132 OF THIS TITLE.

7 (3) "NURSING HOME" HAS THE MEANING STATED IN § 19-1401(E) OF THIS
8 ARTICLE.

9 (B) THE DEPARTMENT SHALL REIMBURSE A NURSING HOME OR ELIGIBLE
10 PROVIDER THE FULL AMOUNT OWED FOR MEDICAL CARE PROVIDED BY A NURSING
11 HOME TO A PROGRAM RECIPIENT WITHIN 30 DAYS FROM THE DATE THAT THE
12 DEPARTMENT OF HUMAN RESOURCES DETERMINES THAT THE INDIVIDUAL
13 RECEIVING SERVICES FROM THE NURSING HOME OR THE ELIGIBLE PROVIDER IS
14 ELIGIBLE FOR THE PROGRAM.

15 (C) IF THE DEPARTMENT DOES NOT MAKE THE PAYMENT REQUIRED UNDER
16 SUBSECTION (B) OF THIS SECTION, THE DEPARTMENT SHALL PAY INTEREST ON THE
17 AMOUNT OWED BY THE DEPARTMENT TO THE NURSING HOME OR ELIGIBLE
18 PROVIDER THAT REMAINS UNPAID 30 DAYS FROM THE ELIGIBILITY DETERMINATION
19 MADE BY THE DEPARTMENT OF HUMAN RESOURCES AT THE FOLLOWING RATE:

20 (1) 1.5% FROM THE 31ST DAY THROUGH THE 60TH DAY;

21 (2) 2% FROM THE 61ST DAY THROUGH THE 120TH DAY; AND

22 (3) 2.5% AFTER THE 120TH DAY.

23 (D) THE INTEREST PAYMENT REQUIRED FROM THE DEPARTMENT UNDER
24 SUBSECTION (C) OF THIS SECTION SHALL BE INCLUDED IN THE NURSING HOME'S OR
25 ELIGIBLE PROVIDER'S REIMBURSEMENT RATE.

26 (E) THE DEPARTMENT MAY NOT REQUIRE A NURSING HOME OR AN ELIGIBLE
27 PROVIDER TO MAKE AN ADDITIONAL CLAIM FOR THE INTEREST PAYMENT REQUIRED
28 FROM THE DEPARTMENT UNDER SUBSECTION (C) OF THIS SECTION.

29 (F) WHEN CONDUCTING A PROGRAM AUDIT OF A NURSING HOME, THE
30 DEPARTMENT MAY NOT OFFSET INTEREST PAYMENTS RECEIVED UNDER
31 SUBSECTION (C) OF THIS SECTION AGAINST A NURSING HOME'S ALLOWABLE COST
32 OF CARE.

33 19-1401.

34 (a) In this subtitle, the following words have the meanings indicated.

35 (e) "Nursing home" means a facility (other than a facility offering domiciliary
36 or personal care as defined in Subtitle 3 of this title) which offers nonacute inpatient

1 care to patients suffering from a disease, chronic illness, condition, disability of
2 advanced age, or terminal disease requiring maximal nursing care without
3 continuous hospital services and who require medical services and nursing services
4 rendered by or under the supervision of a licensed nurse together with convalescent,
5 restorative, or rehabilitative services.

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2004.